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Situating Social Developments within Intergenerational Reports

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Key points

- The 2021 Intergenerational Report says little about social developments, consistent with most previous reports. This is a problem because social developments inherently impact economics and demographics, yet the report's projections view economic and demographic trends as if they occur in isolation.
- The one social development the 2021 report touches on is workforce gender inequality, but its exploration of the economic consequences of this remains limited, it offers few solutions and it does not attempt to project future outcomes of different policy pathways on this issue.
- Population ageing is another key issue in the 2021 report, but it is framed solely as a fiscal burden on society. Alternative framings, such as emphasising older people's social contributions as workers, carers and volunteers, could lead to different conclusions about the social meaning of ageing and its costs.
- The 2010 Intergenerational Report is the only one to have engaged with social sustainability issues separately from an economic agenda. Uniquely, it recognised two forms of intergenerational inequity requiring redress: the problem of overburdening one generation with the costs of

maintaining wellbeing for another, and the inherited disadvantage some groups of Australians face that has harmed generation after generation. The report recognised the role of social capital in effective solutions.

- This chapter recommends future intergenerational reports take inspiration from the 2010 report and the concept of social capital to meaningfully incorporate attention to social developments. Aotearoa New Zealand's 2021 Living Standards Framework may also provide an inspirational model for Australia to follow.

Introduction

A chapter on social developments in the 2021 Intergenerational Report (Commonwealth of Australia 2021) could be very brief, given the report is almost entirely focused on demographic and economic projections and their future budgetary consequences for the Commonwealth. However, those projections incorporate trends in workforce participation, migration, birth rates, population age distribution and other inherently social phenomena that could equally be discussed within frameworks beyond economics and demographics. This chapter argues that intergenerational reports should place greater emphasis on social developments, examining the consequences of current social policies and likely future social issues for Australia. It suggests the value of social capital should be meaningfully reincorporated into future reports to facilitate this.

Most chapters in this volume assess the accuracy and sustainability of current policies through future projections. It is necessary to take a step back from that approach in this chapter, and return to first principles, because of the limited treatment of social developments in the 2021 and previous reports.

In addition, other ways to measure sustainability are needed beyond future projections. While the projected costs of an ageing population prompted the first Intergenerational Report, in 2002, because of an ideological concern about intergenerational inequity—specifically, the perceived problem of younger generations 'footing the bill' for older generations—the distribution of costs across generations is not the only form of inequity. This chapter argues that future reports should attend to another form too: the perpetuation of disadvantage for some groups of Australians from one generation to the next because more advantaged groups do not adequately 'foot the bill' for them.

To elaborate these arguments the chapter is divided into three parts. Section 1 assesses the 2021 report's treatment of social phenomena, identifying some shortcomings of its reductive approach. Section 2 delves into recent social research about aged care and ageing to illustrate important angles future reports might attend to in these domains, respecting the foundational importance of ageing costs to the intergenerational report program. Section 3 discusses alternative models that future intergenerational reports could adopt to highlight and project social issues. This last section analyses the strengths and limitations of the 2010 Intergenerational Report because it remains the only one to tackle social issues in any depth.

1. Social issues in the 2021 Intergenerational Report

The place of social developments over 20 years

To understand the place of social developments in the 2021 report, we must first review how the themes of intergenerational reports have changed across the years. Social developments rated little attention in any of the five produced thus far except for the 2010 report. The 2002 report was framed explicitly as a budget document about the long-term sustainability of government finances. It included attention to fertility, migration, employment, health, aged care, welfare, education and environment, but solely as contributors to demographic-driven economic change and projected spending and revenue. The 2007 report was little different in its low attention to social developments. The 2010 report explicitly changed the emphasis to include 'a comprehensive discussion on environmental challenges and social sustainability' (Commonwealth of Australia 2010:iii), with its final chapter entitled 'A sustainable society'. The 2015 report reverted to the earlier model of discussing any social phenomena in fiscal terms and the 2021 report largely followed suit, including in its limited discussion of major developments such as the climate crisis, COVID-19 and the Royal Commission into Aged Care Quality and Safety.

The 2010 report was the only one produced by a Labor government. It demonstrated the fact that there are few statutory rules for structuring an intergenerational report, so the government of the day can decide what the priority themes are (see Chapters 1 and 2, this volume). The *Charter of Budget Honesty Act 1988* (Cth), which governs the contents of intergenerational reports, specifies only that the report must 'assess the long term sustainability of current Government policies … including by taking account of the financial implications of demographic change' (Commonwealth of Australia 1998:Clause 21). We thus have licence to imagine future intergenerational reports will look quite different. The deserved attention to the implications of a longer living baby boom generation diminishes through the first half of the next 40 years, leaving space for broader views on social sustainability as Australia moves towards a more stable population age profile, albeit older overall than at present. The issue is whether sufficient attention is being given to current policy issues that have strong social dimensions with longer-term implications, and if there are social issues that are only now emerging or are foreseeable in the future.

The limitations of an economic frame

The 2021 report does not devote any concerted attention to social sustainability despite incorporating phenomena of social import within its economic and demographic modelling. Even the social impact investment principles released in 2017 under the Turnbull prime ministership (Caneva 2017) are not mentioned in the report despite their relevance to both economic and social sustainability. On some economic measures, especially those related to workforce participation, the report does discuss gender inequality, and in its chapter on government spending it discusses several budget items with social implications such as aged care, health, education and welfare. But all are framed with an economic–demographic lens. Migration and birth rates receive more attention throughout the report but are also framed in these narrow terms. No consideration is given to sociocultural factors that may influence migration and birth rates, of which there are many.

By discussing these social factors in purely economic terms, the Morrison government missed the opportunity to address the high likelihood that there will be profound social and cultural change over the next 40 years. They did not evaluate their own policies in the light of social change trajectories to identify problems that may emerge if prevailing policies continue, or the possibility that change will bring new, imaginative solutions to the problems they identify. The report lacks vision for different ways of organising and thinking about our lives.

The government also missed opportunities to discuss how different social policies might enhance the economic outlook that was its primary concern. For example, resolving pay inequality between haves and have-nots would increase the retirement income of many Australians and reduce dependence on pensions and funded aged care. A greater focus on preventative health that considers people's social and cultural realities, including improvements to cultural safety in health care, could also reduce health spending in the future (Goris et al. 2013). And Australians are more likely to be comfortable paying for aged care through taxes or individual savings if they are satisfied with its quality, safety and value for money (Woods et al. 2022). It would make sense to monitor these and other social factors when trying to project the future implications of today's policies, because all may have an impact on sustainability, including fiscal and economic sustainability.

The one social development addressed: Gender and workforce participation

As far as questions of social change and social inequality go, the 2021 report only addresses one in any depth: gender inequality in the workforce.[1] The developments documented by the report include:

- Women's participation in paid work has increased since 1978, the increases in recent decades being more profound at older ages. Overall participation rates are expected to increase with more participation by older women in particular, influenced in part by legislated increases to age pension eligibility age.
- Primary unpaid caring responsibilities fall disproportionately to women. Mothers do more than fathers and are much more likely to reduce paid work after having a child. The report does not project future trends for these measures.
- Caring responsibilities are the reason women most commonly cite for working part-time, whereas for men it is studying. Women on average work fewer paid hours per week than men. Almost half of employed women are working part-time compared to about 20 per cent of men, though the rates for both have increased since 1978. The report does not project future trends for these.

1 Note this refers only to a gender binary that compares women to men and does not acknowledge non-binary people and other gender minorities or their contributions and barriers to participation.

- Women's average hourly earnings remain significantly lower than men's, including in industries where women are overrepresented. Again, the report does not project future trends for this, perhaps because there is no clear trend, with the gap rising slightly between 2011 and 2014, falling between 2014 and 2019 and plateauing during the COVID-19 pandemic (Workplace Gender Equality Agency 2022a, 2022b).

The gender pay gap also impacts women's retirement savings. Women live longer, spend more time in aged care and are more likely to need the age pension, funded aged care and other income support because of these lower earnings and savings. Therefore, increasing women's average wages would have wide benefits. But despite this obvious connection, the report does not explore the potential economic benefits that firmer action to shrink the gender wage gap could have for Australia over the next 40 years, nor the 40-year economic costs of inaction.

The report includes few policies to address gender inequality in work. It notes the link between equality-promoting policies and economic growth, stating that 20–40 per cent of the per person economic growth in the United States between 1960 and 2010 was attributable to reducing barriers to paid work faced by women and minority groups. But it does not apply the lessons from this historical trend by projecting outcomes of current workplace trends on economic growth. On page 38 it notes only that 'continued policy support could further encourage female participation' (Commonwealth of Australia 2021). On page 40 it mentions recent policy reforms to make childcare more available and affordable and reduce disincentives for second income earners. But it gives no details and does not project any changes based on these.

Another social development deserving greater attention is population ageing. While this is a central issue in the 2021 report, it is not adequately addressed or recognised as a broad social development. The next section discusses some problems with the way ageing is framed in the 2021 report and potential alternative frames that could be considered for future reports.

2. Contextualising social developments related to ageing

Overdue attention to policy implications of an ageing population

A serious focus on population ageing has been a public issue since the 1970s, but policy action has lagged the demographic changes. As early as the 1970s, John Goldthorpe of the University of Oxford flagged ageing as the next 'big thing'. International experts such as demographer George Myers of Duke University came to The Australian National University's Research School of Social Sciences in the 1970s and '80s and advised the Australian Bureau of Statistics (ABS) on modelling the future ageing of the baby boom, as well as the impact of longer life expectancies.

There have been (and continue to be) identifiable social structural changes due to population ageing that directly challenge existing policy settings. Trends have included:

- The increasing proportion of the population with complex health needs, frailty and dementia.
- The breakdown of retirement as a fixed life stage, with increased longevity and the need for income to cover more years of life.
- A reset of the 'retirement' lifestyle with the maturing of the superannuation guarantee.
- Increasing interest in work in later life both as a financial necessity and to provide purpose to the individual.
- Not spending saved money and assets, particularly tax advantaged super funds, in large part because older Australians expect they will have to cover substantial out-of-pocket health costs (Hosking et al. 2022; see also Chapter 5, this volume).
- A major move from family and domestic to formal and residential aged care, though in practice supplemented by family members' unpaid care (particularly by women).
- Resistance to paying for care services because of traditional expectations that ageing will be supported by public welfare.
- Growing expressions of the political power of older people.

With the vision of hindsight, many of these social trends have not been addressed effectively and this has left policy development lagging behind the needs and aspirations of older Australians. Obvious exceptions are the superannuation guarantee and the formalisation of home care services. On other issues, neglect or inadequate policy changes have created greater complexity by 'band-aiding' rather than developing new policies to replace those outdated by social change. For example, the 2021 Intergenerational Report notes: 'In 2018–19, the Australian Government funded around 80 per cent of total aged care spending, with user contributions largely making up the remaining 20 per cent' (Commonwealth of Australia 2021:103). However, it does not acknowledge the significant family and volunteer contributions to care nor the extent to which this expenditure pattern is the consequence of slow policy development.

While considerable additional expenditure on aged care and ageing is needed, the broader context shows there is more to this picture. The prevailing discourse about a societal burden of aged-care costs has dominated the arena and that is a problem for several reasons. In the following sections, we examine the issue from different perspectives that show how alternative framings and models can lead to different kinds of conclusion about the social meaning of ageing and aged-care costs.

Framing aged-care costs versus healthcare costs

Aged-care quality is one of the most urgent social issues requiring major reform in Australia. The Morrison government's response to the final report of the Royal Commission into Aged Care Quality and Safety accepted (or accepted in principle) 126 of the 148 recommendations, and it supported an alternative approach to implementing another four (Royal Commission into Aged Care Quality and Safety 2021; Department of Health 2021). Yet the main comment about the Royal Commission in the 2021 Intergenerational Report is:

> The response to the findings and recommendations of the Royal Commission has significantly increased Australian Government spending on aged care and will continue to do so in the medium and long term. (Commonwealth of Australia 2021:105, Box 7.2.1)

There is no reference to the significant benefits from cleaning up poor-quality and degrading services, the social benefits of improving the quality of later life, or the fundamental human rights principle of honouring our social contract to ensure all citizens are properly cared for. Nor was there discussion of the relationship between quality and user pays incentives, with recent evidence suggesting resentment towards paying and planning for aged care is likely to diminish if the system changes sufficiently to become an attractive option for later life care (Woods et al. 2022). The omission of these social and cultural aspects of aged-care policies from the intergenerational report is disappointing, especially at the beginning of an era of rapid sectoral change in the Royal Commission's wake.

By contrast, health costs are consistently covered by intergenerational reports and their projected growth vastly outweighs that of aged care, but this is not presented as being as significant a problem as aged care. The 2021 report agrees that health cost growth is not driven primarily by ageing, a fact evidenced since 1990 (Barer et al. 1990). Health costs are managed by solidarity between all generations and, in support of this, health costs increase across all ages not just among older groups. This example of intergenerational solidarity is not considered an important focal point in the reports compared to the lesser cost of aged care.

In-built factors that offset the rising cost of aged care have received less attention too. For example, investing in preventative health can reduce aged-care costs and long-term health costs. The maturation of the superannuation system may also reduce reliance on the age pension by retirees, because future retirees can expect a much larger average superannuation balance compared to current figures. And while demand for health services and aged care will increase in the short term, other areas of government spending such as payments to families and education will see a reduction in growth as the population ages (see Chapter 2, this volume). The 2021 report does mention this with a light discussion (Commonwealth of Australia 2021:92) but does not emphasise it.

Older people as contributors to the economy

The notion that aged-care costs are ballooning communicates the stereotype that older people are dependent on taxpayers because they lack agency and the ability to contribute to society. Once again, incorporating a broader social perspective on this point can shed new light. Analyses of ABS data by researchers at the Centre of Excellence in Population Ageing Research showed that nearly 80 per cent of people aged in their early 60s had good or excellent health, which was equivalent to people in their 40s thirty years ago. They also highlighted that a quarter of people aged 55–64 hold a degree, more than double the rate of people aged 45–54 thirty years ago (Chomik and Khan 2021). These findings show that the current capacity and resources of people entering old age may limit their future dependency on younger taxpayers.

An important point to note is that 15 per cent of older Australians engage in paid work after the age of pension eligibility, thus contributing taxes and other benefits to the community (OECD 2021). Other retirees would like to return to paid work but face numerous barriers to doing so including ageism, restrictions on pensioners earning income and a lack of appropriate job opportunities (Orthia et al. 2022). Incorporating projections of measures related to these issues would give context to older Australians' dependence on the state, and policy responses could be developed that change net pension expenditure projections. Supporting later life work for the willing and able increases individuals' ability to pay for services, enhances their social engagement, can maintain their health and can overall improve individuals' ability to avoid becoming dependent in later life, provided work conditions are appropriate and financial necessity is not the primary motivation (Nemoto et al. 2020).

In addition, many older Australians engage in volunteer work, making a multi-billion-dollar contribution to the economy. They also engage extensively in unpaid caring labour for parents, partners, grandchildren, other family and friends. This can come at a significant personal cost, yet their contribution remains unrecognised in intergenerational reports because of the reports' blinkered focus on the government's aged-care budget. If unpaid caring labour were factored into aged-care cost calculations, the proportion contributed by 'users' would be much greater than the 20 per cent quoted in the 2021 report (Commonwealth of Australia 2021:103).

Finally, supporting individuals to incorporate aged-care costs into their financial plans for later life could reduce government expenditure on aged care. Planning for aged-care costs can also provide more choice and thus better outcomes if care is required in the future. Projections in future intergenerational reports might fruitfully incorporate planning-related metrics such as the growth of care navigation and advocacy systems, public trust in aged-care quality and safety, and willingness among wealthier Australians to pay for their care, for example through the body of assets they never spend in retirement (Woods et al. 2022).

Intergenerational solidarity trumps inflammatory ageism

The repeated emphasis on ageing costs regularly inflames ageist public discourse, pitting generations against one another in ways that do not reflect the realities of family relationships over generations or of disadvantage in Australia. This has led some social observers to allege discriminatory attention on the elderly (McCallum and Rees 2018). This ageism takes focus away from the serious risk of growing social inequality in oncoming cohorts. For example, in 20 years, when the baby boom bulge has flattened, the windfall gains from housing will have passed onto privileged sections of the next generations as inheritances (see Chapter 7, this volume). Those who have not had access to this 'unearned' wealth will predictably have lower home ownership rates, and probably more unstable employment and poorer living environments. This points to the need for future intergenerational reports to become more emphatically reports for *all* generations. They should not continue to effectively pit young against old when the more important concern is haves versus have-nots, with the gap widening between them.

In contrast to public expressions of intergenerational conflict there is a strong prevailing sentiment within Australia of intergenerational solidarity that does not get reported as widely. In a 2019 survey, 2,794 older Australians predominantly aged 60+ wrote free text comments on issues affecting younger people today that they were particularly concerned about (Ee et al. 2021). The issue respondents mentioned most frequently was jobs, with almost one-third (31 per cent) mentioning concern about issues such as unemployment rates, job security, pay, conditions and JobSeeker income support. Three other issues were each mentioned by over one-fifth of respondents: housing affordability and costs of living (27 per cent), drug and alcohol use (23 per cent), and education access and standards (20 per cent). In addition, around 10 per cent mentioned climate change and the state of the planet they would leave behind; an issue that 77 per cent of older Australians want action on (National Seniors Australia 2021). Generally, respondents sought government support to ameliorate or resolve these issues; clear evidence of intergenerational solidarity. They also held a widely expressed view that younger people live in more demanding and competitive environments than those of yesteryear.

Older Australians displayed considerable empathy towards the situation of younger people through their comments. A few respondents specifically declined to list issues of concern, instead asserting their desire for younger and older people to work together to address societal problems. Survey respondents generally did not express the expectation that younger people should prioritise supporting the ageing population. These older Australians were more concerned about the welfare of younger people.

On this evidence, addressing the needs of both younger and older groups should be the future direction for intergenerational reports. With few exceptions, all Australians will grow old and have a common interest in comfort and care at that stage. A critical question for intergenerational reports in the 2020s and beyond is whether the demographic focus on age will decrease in relevance with a flattening baby boom bulge, albeit accompanied by an older profile than today (see Chapter 4, this volume). Consequently, future intergenerational reports can and should take a broader view of ageing in their 40-year projections; a view that meaningfully encompasses social and cultural matters, deepening the Australian intergenerational compact.

3. Looking back to look forward: Learning from the 2010 report

The 2010 report's unique approach to social issues

The 2021 Intergenerational Report's engagement with social developments is inadequate, but the same cannot be said for every intergenerational report. The 2010 report's approach to social topics differed from all the others. Understanding its approach can inform how governments prepare their reports in future years.

The 2010 report distinguished itself in at least three ways. The first difference is philosophical, in that the 2010 report made room to consider social sustainability issues distinct from an economic agenda. This was positioned as promoting social inclusion to redress entrenched disadvantage in income, education, employment, health, community resources and political voice. This difference may have been partly inspired by an influential 2009 report by the French Commission on the Measurement of Economic Performance and Social Progress, which challenged the usefulness of the GDP as a measure of social progress. Known as the Stiglitz-Sen-Fitoussi report

(2009), the document was referenced in the 2010 Intergenerational Report (Commonwealth of Australia 2010:84), with the commission's thinking on the dimensions of wellbeing given as an example that might be followed in Australia.

The 2010 report also differed from the others methodologically. It used several methods to assess social outcomes. More than that, following the Stiglitz-Sen-Fitoussi report recommendations, it discussed the problems with using a single measure such as GDP to quantify wellbeing, the affordances of various alternatives, the lack of consensus on appropriate measures, and the crucial insight that a lack of easy measures may lead to undervaluing factors that contribute to wellbeing. It also relied more heavily than other reports on quality external sources. Its 12-page reference section dwarfed the three- to four-page reference sections of the 2002, 2007 and 2015 reports. The 'Sustainable society' chapter alone ran to over six pages of references, including numerous papers from more than 20 peer-reviewed journals in diverse fields. In contrast, the 2021 report has no reference section, only footnotes, across which there are just five references to peer-reviewed journal papers, all economic.

The third distinct trait of the 2010 report was its interpretation of 'intergenerational'. The term is usually interpreted as referring to the allocation of resources between people of different ages, and how a changing society will affect the life course of different generations of people. This definition treats all 15–19-year-olds as a cohort, all those over 85 years as a cohort, and so on, applying little differentiation within those cohorts except sometimes by gender. By contrast, the 2010 report recognised the structural disadvantage faced by some groups of Australians irrespective of their age—for example, First Nations people and people from low socio-economic groups—for whom the disadvantage experienced by one generation is usually passed on to the next. The 2010 report noted that children of parents who achieved low educational attainment tend to perform more poorly in school (Commonwealth of Australia 2010:99), and children of parents who relied heavily on government income support are themselves more likely to rely on income support in adulthood (2010:102). It also noted that disadvantage compounds, so geographic locations facing one kind of disadvantage also tend to be disadvantaged in other ways, and abuse and neglect have rolling consequences for children in terms of educational and employment outcomes (2010:102–3).

In these cases, the intergenerational issue of interest is not just whether a prosperous status quo can be sustained and improved in future generations with a fair distribution of costs between generations, but how governments can halt inherited disadvantage by breaking the self-perpetuating status quo cycle that has harmed generation after generation and, unchecked, is likely to exacerbate inequality. This entails a social compact between different classes, communities and cultures within Australian society, not just between generations.

Measuring social inclusion to inspire action

Consistent with its recognition of two kinds of intergenerational inequity, the 2010 report finished with a statement that the government was 'seeking new ways to overcome disadvantage in the Australian population' (2010:103). It outlined eight principles for social inclusion (2010:104, Box 6.4), which can be summarised briefly as:

1. Building on individual and community strengths.
2. Building partnerships with key stakeholders.
3. Developing tailored services.
4. Giving a high priority to early intervention and prevention.
5. Building joined-up services and whole-of-government(s) solutions.
6. Using evidence and integrated data to inform policy.
7. Using locational (socio-geographic) approaches.
8. Planning for sustainability.

The presence of these principles affirms the need for greater vision within intergenerational reports. It emphasises the importance of improving quality of life values for more marginalised people as well as sustaining high quality of life values for less marginalised people. The approach shows why a sole focus on projections is inadequate for a genuine sense of social sustainability, considering the 1987 United Nations Brundtland Commission definition of sustainability: 'meeting the needs of the present without compromising the ability of future generations to meet their own needs' (United Nations n.d.). Social inclusion measures are needed to enable all members of current generations—not just future generations and not just select members—to meet their own needs.

Developing ways to assess the implementation of social inclusion principles would be useful for future reports because it would allow them to be incorporated into projections in addition to tracking current progress. We know that 'what gets measured gets done' in the policy sphere, so finding ways to measure complex social phenomena will enable governments to focus on them.

Methods already exist for assessing the principles' implementation, and methodological experts can no doubt devise and refine appropriate strategies for assessing relevant arenas if the political will is there. For example, First Nations scholars have developed measures for assessing self-determination and tailoring within services (Principles 1 and 3) (e.g. Davis 2013). Network analysis could be useful for assessing community partnerships and interagency cooperation (Principles 2 and 5) (e.g. Cunningham et al. 2021). International and historical comparisons can assess whether problems have been prevented early (Principle 4) (e.g. Tran et al. 2020). Bibliometric studies can analyse the evidentiary basis of policies (Principle 6) (e.g. Vilkins and Grant 2017). Mapping disadvantage against service provision and grounding impacts with social research could facilitate evaluation of locational approaches (Principle 7) (e.g. Pineda-Pinto et al. 2021). As with all these methods, researchers continue to debate appropriate methods of planning for social sustainability (Principle 8), but there are existing methods for evaluating this too (e.g. Landorf 2011).

These are only examples of what is possible; again, future researchers can work with governments to devise rigorous but realistic methodologies for this evaluative purpose. The complexity of social developments should not be an excuse for excluding them from future intergenerational reports.

Reincorporating the 2010 report's more easily measurable social indicators is also sensible, provided they remain valid and relevant. It did not project all measures forward but did track historical changes indicative of current trends. For example, it tracked private household income by quintiles over 20 years, showing changes in inequality. It tracked the two lowest quintiles' amounts of disposable income over 20 years as an indicator of poverty relief provided by the tax and transfer system. It reported the percentage of Australians who experienced relative income poverty (earned less than half median income) in the past six years and the number of years they experienced it for. It gave a snapshot of disease rates for six non-communicable diseases, comparing the highest and lowest income quintiles as a measure of the impact income disadvantage has on health.

The report also included comparative statistics showing the entrenched disadvantage faced by First Nations people on multiple measures, including unemployment, post-secondary attainment, key health indicators, life expectancy, hospitalisation rates, household income and the proportion of children under state care and protection orders. The federal government's Closing the Gap initiative was designed to redress all of these and the 2017 Uluru Statement from the Heart highlights some of them, so reporting on them and projecting them seems critical to include in future intergenerational reports. As it stands, the 2021 report did not discuss the situation of First Nations people at all for any measure. There can be no excuse for this glaring omission.

New indicators for a better future

At their core, intergenerational reports should be about societal sustainability and, by implication, the wellbeing of society's members. Assessing sustainability and wellbeing entails more than indicators of the government's fiscal balance. The fundamental contribution of the 2010 report was its argument that wellbeing should be measured 'through the prism of the stock of economic, environmental, human and social resources' (Commonwealth of Australia 2010:83). This is a principle missing from the 2021 report that should be reinstated in future reports.

The key unifying concept here is social capital. The 2010 report stated that 'Human and social capital are key components of the "stock" of resources passed to future generations', and it defined social capital as 'the social relationships, networks and norms within society and the institutions that underpin these, such as the justice system, governance and representative democracy' (Commonwealth of Australia 2010:93).

World Bank comparisons of the 'true wealth' of nations showed that social capital indicators of trust, civic engagement and institutional effectiveness were linked to cross-country differences in economic wellbeing and economic growth (Scrivens and Smith 2013). Government policies have a profound effect on social capital through their influence on institutional quality, income inequality, poverty, housing mobility and ownership rates, family wellbeing, the construction of the built environment and educational outcomes. The most common approach to measurement is through indicators. The World Social Capital Monitor was developed in the context of the UN's 2030 Agenda and its associated Sustainable Development Goals. Stakeholders provide country and location information and score eight characteristics of social capital on a 10-point scale (Verbeek and Dill 2017):

1. The local social climate.
2. The trust among people.
3. The willingness to co-finance public goods by austerity measures.
4. The willingness to co-finance public goods by taxes and contributions.
5. The willingness to invest in local economy self-managed enterprises.
6. The helpfulness among people.
7. The friendliness among people.
8. The hospitality among people.

In Australia there were attempts to develop a social capital measurement framework in the early to mid-2000s by the Australian Institute of Family Studies (Stone 2001) and the ABS (Edwards 2004). However, except for the 2010 Intergenerational Report, social capital has not featured prominently in major Australian studies of economic sustainability or economic performance.

The 2010 model may not be the appropriate model for applying the social capital concept in all future circumstances. The report itself noted that the 'different perspectives people and societies have on wellbeing will result in different assessments as to whether wellbeing has improved over time' (Commonwealth of Australia 2010:86). Taking inspiration from other key documents will be important, such as the Stiglitz-Sen-Fitoussi report, which has since been foundational in developing the OECD's 11 measures of wellbeing (OECD n.d.). That document was also foundational to Aotearoa New Zealand's intergenerational report equivalent, the Living Standards Framework (The Treasury (NZ) 2018). The revised Living Standards Framework released in 2021 incorporates the concept of social capital and offers a highly sophisticated take on the multiple dimensions of sustainability, organised into three tiers: 'Our individual and collective wellbeing', 'Our institutions and governance' and 'The wealth of Aotearoa New Zealand' (Te Tai Ōhanga/The Treasury 2022). Under these headings it incorporates unique adaptations to reflect that nation's current values, for example the concept of 'collective wellbeing' includes indicators for cultural capability and belonging, political engagement and voice, social support and love from family and friends, and sufficient leisure time. Social cohesion—including the ability to express identity, a sense of belonging, trust held in others and freedom from discrimination—is one of four measures under the 'Wealth of Aotearoa New Zealand' tier, alongside financial and physical capital, human capability and the natural environment. These social phenomena are not easy to measure, yet Aotearoa New Zealand has committed to them as its indicators of wellbeing and sustainability. As in many things, Australia would do well to emulate its neighbour's example in future reports.

While adopting and adapting Aotearoa New Zealand's model is desirable, the 2010 model nonetheless offers some useful starting points for future intergenerational reports. Pragmatically, building on Australia's own past practice may be the way to get traction on this matter. Perhaps the most important starting point is the 2010 report's insistence that some factors contributing to wellbeing and sustainability are not quantifiable. These include the enjoyment we get from the environment, the quality of life we gain from education beyond its work applications, the inherent benefits of good health and freedom from violence, and the important role of communities in co-designing tailored responses to problems. Finding ways to project our progress in cultivating these values might make the difference between having a future to plan for and not having one at all.

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This text is taken from *More Than Fiscal: The Intergenerational Report, Sustainability and Public Policy in Australia*, edited by Andrew Podger, Jane Hall and Mike Woods, published 2023 by ANU Press, The Australian National University, Canberra, Australia.

doi.org/10.22459/MF.2023.08